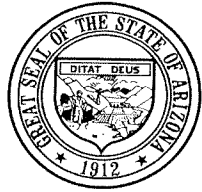


ARIZONA DEPARTMENT OF WATER RESOURCES
Hydrology Division

500 North Third Street, Phoenix, Arizona 85004
Telephone 602 417-2448
Fax 602 417-2425

October 28, 2003



JANET NAPOLITANO
Governor

HERB GUENTHER
Director

Mr. Roy Tanney
Director of Real Estate Subdivisions
Arizona Department of Real Estate
2910 North 44th Street
Phoenix, AZ 85012

Water Adequacy Report #22-400944

Subdivision Name: White Mountain Vacation Village Unit II

Owner: White Mountain Vacation Village, LLC

Number of lots: 99

County: Navajo

Township 09 N **Range** 22 E **Section** 04

Water provided by: Pineview Water Company

Water Type: Groundwater

Current water depth: No Information

Estimated 100-year depth: No Information

Current decline rate: No Information

Basin: Little Colorado River Plateau

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-715 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181.F. a summary of the Department's report for those with an inadequate water supply be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

"White Mountain Vacation Village Unit II subdivision is being served groundwater by Pineview Water Company. The developer has chosen not to demonstrate a 100-year adequate water supply. The lack of demonstration includes the criteria for physical, legal and continuous availability as set forth in A.A.C. R12-15-717. Therefore the Department must find the water supply to be inadequate. For additional information please contact the Arizona Department of Water Resources at (602) 417-2465."

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October 28, 2003
Water Adequacy Report
White Mountain Vacation Village Unit II subdivision

The developer, pursuant to A.R.S. §32-2181.F., may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings. Any change to the above subdivision or water supply plans may invalidate this decision.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Navajo County Recorder is being officially notified of the developer's compliance with the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Putman", written in a cursive style.

Frank Putman
Acting Assistant Director

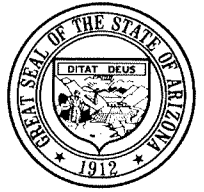
FP/AD/rd
700007

cc: Mr. David Ashton, Navajo County Planning and Zoning
Ms. Laurette Justman, Navajo County Recorder
John Murphy
Doug Dunham, ADWR

ARIZONA DEPARTMENT OF WATER RESOURCES
Hydrology Division

500 North Third Street, Phoenix, Arizona 85004
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October 28, 2003



JANET NAPOLITANO
Governor

HERB GUENTHER
Director

Mr. Roy Tanney
Director of Real Estate Subdivisions
Arizona Department of Real Estate
2910 North 44th Street
Phoenix, AZ 85012

Water Adequacy Report #22-400945
Subdivision Name: White Mountain Vacation Village Unit III
Owner: White Mountain Vacation Village, LLC
Number of lots: 62
County: Navajo
Township 09 & 10 N Range 22 E Section 04 & 33

Water provided by: Pineview Water Company
Water Type: Groundwater
Current water depth: No Information
Estimated 100-year depth: No Information
Current decline rate: No Information
Basin: Little Colorado River Plateau

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-715 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181.F, a summary of the Department's report for those with an inadequate water supply be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

"White Mountain Vacation Village Unit III subdivision is being served groundwater by Pineview Water Company. The developer has chosen not to demonstrate a 100-year adequate water supply. The lack of demonstration includes the criteria for physical, legal and continuous availability as set forth in A.A.C. R12-15-717. Therefore the Department must find the water supply to be inadequate. For additional information please contact the Arizona Department of Water Resources at (602) 417-2465."

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October 28, 2003
Water Adequacy Report
White Mountain Vacation Village Unit III subdivision

The developer, pursuant to A.R.S. §32-2181.F., may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings. Any change to the above subdivision or water supply plans may invalidate this decision.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Navajo County Recorder is being officially notified of the developer's compliance with the law.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Putman". The signature is fluid and cursive, with the first name "Frank" being more prominent than the last name "Putman".

Frank Putman
Acting Assistant Director

FP/AD/rd
700008

cc: Mr. David Ashton, Navajo County Planning and Zoning
Ms. Laurette Justman, Navajo County Recorder
Mr. John Murphy
Doug Dunham, ADWR